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U.S. study links Nicaragua with Libya, Iran and PLO

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WASHINGTON — Pressing its campaign against the "confederation of terrorist states," the Reagan administration yesterday privately circulated a new State Department report accusing Nicaragua of developing strategic ties with Libya, Iran and the Palestine Liberation Organization.

A U.S. intelligence analyst who gave the report to the Inquirer Washington Bureau said it had been prepared for the National Security Council to "back up" President Reagan's assertions Monday that five nations — Nicaragua, Cuba, Iran, Libya and North Korea — were participants in a "confederation of terrorist states."

In that speech, Reagan also listed the PLO as one of "the world's most vicious terrorist groups."

Administration sources said that Reagan's speech and the document were part of a White House campaign to prepare the American public in case Reagan decided to order military action to retaliate for recent terrorist acts against Americans in Lebanon and El Salvador.

The document has not been released formally because of objections from the State Department's Middle East bureau, which felt it could undermine U.S. efforts to promote a dialogue between Israel and a Jordanian-Palestinian delegation, the sources said.

The final draft of the report contains details of links between Nicaragua and the PLO, Libya and Iran that in some cases date to several years before the Sandinistas came to power in an insurrection against President Anastasio Somoza in 1979.

The report is intended to support

the administration's contention that Nicaragua's ties to Middle East radicals pose a threat to the Western Hemisphere.

"The Arab entities Nicaragua has chosen to deal with ... have had known involvement in terrorist activity, including the planning, training, financing and implementation of terrorist acts," it said. "The Sandinista ties with this network pose increasing dangers of violence for the Western Hemisphere."

Francisco Campbell, a minister-counselor at the Nicaraguan Embassy, said his nation "categorically rejects the affirmations published in this fabricated report." However, he did not deny the specific assertions in the document.

"We believe that it is deplorable that the administration of the United States should try to [capitalize] on the genuine concern that is to be found among the people of the United States about terrorism," Campbell added.

According to the report, the Sandinistas' relations with Middle Eastern terrorists have yielded training by the PLO, arms and money from Libya and recent oil and possibly small-arms shipments from Iran.

The report says the Sandinistas' Arab connection was established in 1969 when PLO instructors trained Nicaraguans at camps in Lebanon and Libya. One of the trainees in Lebanon, it said, was Tomas Borge, who today is Nicaragua's interior minister.

When the Sandinistas unleashed their final offensive against Somoza in 1978 and 1979, they obtained PLO assistance, through Borge, to secure weapons from North Korea and Vietnam and funds from Libya, the report said.

In July 1980, the report said, PLO leader Yasir Arafat paid a four-day "state visit" to Nicaragua and, at a reception in Managua, spoke of "strategic and military ties" with the Sandinistas.

Shortly after, the report said, Arafat sent a PLO officer, Col. Mutlag Hamadan, and 25 military advisers to Nicaragua "to give instruction in the use of Eastern-bloc weapons."

The report said the Sandinistas solidified their ties to Libya in early 1979, when Libyan leader Moammar Khadafy invited the Nicaraguans to Benghazi, Libya, and pledged money and political support.

Borge played a key role in obtaining a \$100 million loan from Libya in 1981, the report said. The Libyans have also shipped arms to Nicaragua, it added, citing the interception in Brazil in 1983 of four Libyan military planes carrying 84 tons of military equipment.

Since then, the report said, Nicaragua has become a member of a "Sandinista-PLO-Libya axis" and is developing ties with Iran.

According to the report, Nicaragua's first official contact with Iran came in May 1983 when Sandinista minister of culture Ernesto Cardenal visited Tehran and was granted a rare private audience with the Ayatollah Khomeini.

In March 1984, Sandinista leader Sergio Ramirez traveled to Iran and secured a \$23-million trade agreement, the report said.

And on Jan. 23, Iranian Prime Minister Hussein Moussavi visited Nicaragua and met with Sandinista leader Daniel Ortega. "Most observers agreed that shipment of small arms from Iran and an oil deal were discussed," the report said.